

CIP BUDGET FISCAL NOTE

DATE OF COUNCIL CONSIDERATION:

3/20/14

CONTACT DEPARTMENT(S):

Parks and Recreation

SUBJECT: Approve an ordinance amending the Fiscal Year 2013-2014 Parks and Recreation Department Capital Budget (Ordinance No. 20130909-002) to increase appropriations by \$9,600,000 for the purchase of the Grey Rock Golf and Tennis facility and related improvements.

CURRENT YEAR IMPACT:

Department:	PARD
Project Name:	Grey Rock Golf and Tennis Facility
Project Authorization:	2013-2014 Capital Budget
Funding Source:	Certificates of Obligation
Fund/Dept/Unit:	8760-8607-NEW
Current Budget	0
Unencumbered Balance	0
This Action	9,600,000
Estimated Available	<u>9,600,000</u>

ANALYSIS / ADDITIONAL INFORMATION: Approval of this budget amendment will allow the Department to proceed with the purchase of the Grey Rock Golf and Tennis facility and associated improvements.

The approximately 292-acre Grey Rock golf and tennis facility, located off Highway 45 within Circle C Ranch, is considered one of the fastest growing areas in the region. The property includes an 18-hole golf course, eight tennis courts, three maintenance facilities, a driving range with teaching center, and a clubhouse. The property is situated in a park deficient area of the City and offers room for future park expansion including trail connectivity and other park amenities. The property is under residential development threat and is zoned with no restrictions for development. City of Austin ownership will protect the environmentally sensitive property in the future by utilizing best management practices outlined by the Watershed Protection Department and will restrict future development. The Parks and Recreation Department as a steward of the property is prepared to adhere to best management practices, environmental testing, and protection of water quality.

The purchase price is \$8,500,000 for the real property and an additional \$1,100,000 are included in this request, which includes: due diligence requirements (survey, environmental site assessment, building condition report), funds to transfer all contracts including management of the property and startup funds for operations, and several small capital improvement repairs related to planned improvements by the current property owner.

The purchase price and the additional funds are below the current fair market value as determined by an independent third party appraiser.

A reimbursement resolution is a separate, but related, item on this Council agenda. A reimbursement resolution is required by federal and state law whenever a bond issuer plans to use bond proceeds to retroactively reimburse itself for expenditures already incurred. The use of reimbursement resolution is approved in the City's financial policies and allows the City to start projects to be funded with bonds in advance of the City's next scheduled general obligation bond sale. The city typically schedules its annual issuance of general obligation debt in August to coordinate with the budget cycle.